

believe

/ emmis communications / 2005 / Annual Report /

/ abbreviated financial highlights /



RADIO



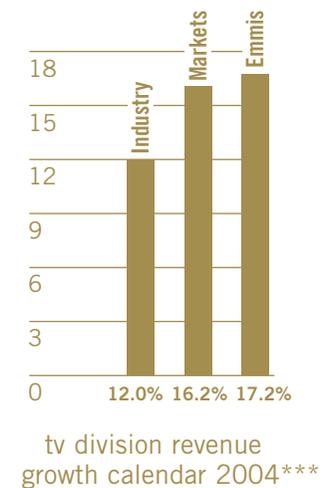
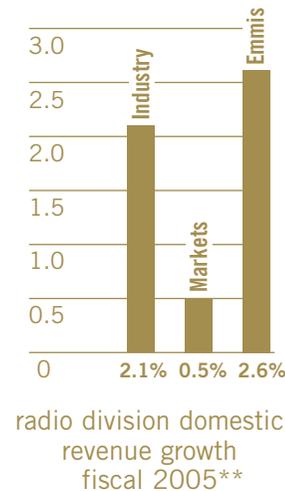
TELEVISION



PUBLISHING

	01	02	03	04	05
net revenues*	453,657	510,307	536,223	565,154	618,460
station operating income*	170,850	179,722	202,545	209,422	233,938
station operating income margin	37.7%	35.2%	37.8%	37.1%	37.8%
leverage	6.8x	9.3x	6.5x	6.7x	5.9x

Year ended February 28 (29)



* in thousands ** excludes WLUP in Chicago *** market results for 11 of 14 measured markets; Emmis results for 13 stations in those markets

// This annual report contains certain non-GAAP measures. For a presentation of the directly comparable GAAP measure and a reconciliation of the non-GAAP measures to the GAAP measures, see the insert with our Form 10-K in this annual report.

“Emmis is one of FORTUNE’s
100 Best Companies
to Work For.”



believe

emmis communications
one emmis plaza
40 monument circle
indianapolis, indiana 46204
www.emmis.com

/ Emmis Communications
(NASDAQ: EMMS) owns 23 FM and
2 AM domestic radio stations serving
the nation’s largest markets of
New York, Los Angeles and Chicago,
as well as Phoenix, St. Louis, Austin,
Indianapolis and Terre Haute, Ind.
In addition, Emmis owns 16 television
stations, award-winning regional and
specialty magazines, a radio network,
international radio interests and
ancillary businesses in broadcast
sales and publishing.

RADIO

Austin

KDHT-FM (93.3),
Rhythmic CHR

KBPA-FM (103.5),
Hot Adult Contemporary

KGSR-FM (107.1),
Adult Alternative

KLBJ-AM (590), *News/Talk*

KLBJ-FM (93.7),
Album-Oriented Rock

KROX-FM (101.5),
Alternative Rock

Chicago

WKQX-FM (101.1),
Alternative Rock

WLUP-FM (97.9),
Classic Rock

Indianapolis

WLHK-FM (97.1),
Country

WIBC-AM (1070),
News/Talk/Sports

WNOU-FM (93.1), *CHR*

WYXB-FM (105.7),
Soft Adult Contemporary

Network Indiana,
Statewide News Network

Los Angeles

KPWR-FM (105.9),
Hip-Hop/R&B

KZLA-FM (93.9), *Country*

New York

WQCD-FM (101.9),
Smooth Jazz

WQHT-FM (97.7), *Hip-Hop*

WRKS-FM (98.7),
Classic Soul/Today's R&B

Phoenix

KKFR-FM (92.3),
Rhythmic CHR

St. Louis

KFTK-FM (97.1), *Talk*

KIHT-FM (96.3), *Classic Hits*

KPNT-FM (105.7),
Alternative Rock

KSHE-FM (94.7),
Album-Oriented Rock

WRDA-FM (104.1),
New Standards

Terre Haute

WTHI-FM (99.9), *Country*

WWVR-FM (105.5),
Classic Rock

TELEVISION

Albuquerque, N.M.

KRQE-TV (Channel 13),
CBS programming/local news

Fort Myers, Fla.

WFTX-TV (Channel 4),
Fox programming/local news

Green Bay, Wis.

WLUK-TV (Channel 11),
Fox programming/local news

Honolulu

KHON-TV (Channel 2),
Fox programming/local news

KGMB-TV (Channel 9),
CBS programming/local news

Huntington/Charleston, W.Va.

WSAZ-TV (Channel 3),
NBC programming/local news

Mobile, Ala./Pensacola, Fla.

WALA-TV (Channel 10),
Fox programming/local news

WBPB-TV (Channel 55),
WB programming/local news

New Orleans, La.

WVUE-TV (Channel 8),
Fox programming/local news

Omaha, Neb.

KMTV-TV (Channel 3),
CBS programming/local news

Orlando, Fla.

WKCF-TV (Channel 18),
WB programming

Portland, Ore.

KOIN-TV (Channel 6),
CBS programming/local news

Terre Haute, Ind.

WTHI-TV (Channel 10),
CBS programming/local news

Topeka, Kan.

KSNT-TV (Channel 27),
NBC programming/local news

Tucson, Ariz.

KGUN-TV (Channel 9),
ABC programming/local news

Wichita, Kan.

KSNW-TV (Channel 3),
NBC programming/local news

PUBLISHING

Atlanta
Cincinnati
Country Sampler
Indianapolis Monthly
Los Angeles
Texas Monthly
Tu Ciudad

INTERNATIONAL

Hungary

Sláger Rádió, *Classic Rock/local programming*

Belgium

be one, *Pop Rock Hits*

Slovakia

Rádio Expres,
Pop Music/News

RELATED BUSINESS

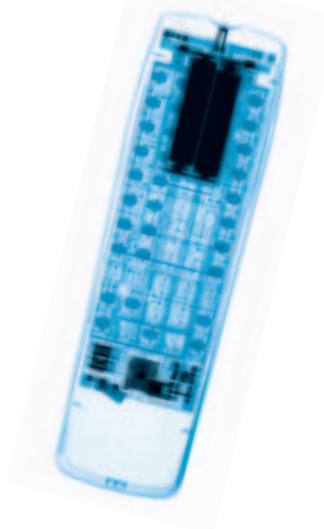
Emmis Books
Emmis Interactive
RDS

Emmis was founded in 1980, and the company launched its first radio station in July 1981. As Emmis (the Hebrew word for “truth”) acquired more radio stations across the nation, it established a reputation for sound operations and emerged as a radio industry leader and innovator. Emmis was the first company to own top-rated radio stations in both L.A. and New York, and it pioneered such concepts as the all-sports format.

The company launched its magazine division in 1988 with the purchase of *Indianapolis Monthly*, and moved into the world of international radio in 1997, when it was awarded a license to operate a national radio network in Hungary. In 1998, Emmis expanded into television by buying six television stations in markets throughout the United States. In the last five years, the company has added properties in each of its divisions.

With its emphasis on solid operations, integrity, community involvement and fun, the company’s culture has been lauded repeatedly by both its employees and its peers. Trade publications regularly cite Emmis’ leaders as being among the best in the business. In 2005, Emmis was named to FORTUNE’s 100 Best Companies to Work For list, an honor rarely given to media companies.

Emmis became a public company in 1994. It maintains its worldwide headquarters in Indianapolis, where the company was founded.





/ dear shareholder /

In the 1950s, Edward R. Murrow hosted a daily radio program called “This I Believe.” Featuring essays by people from all walks of life, the radio show sought to combat the anxiety of the Cold War age by reminding listeners about the beliefs that unite them, and it sought to restore the nation’s confidence by revealing truth and dispelling myth.

In that spirit, I offer you this letter, which is my effort to address fears, dispel myths and highlight possibilities. It’s my chance to explain why I have faith in the future of traditional media. It’s my chance to say, *“This I believe about Emmis Communications.”*

THE CHALLENGE BEFORE US

These are challenging times for traditional media, and anyone who paints a different picture isn’t being honest. Fragmentation and emerging technology have changed our industries dramatically. But it’s overreacting to say that radio, TV and print media are on a path to extinction. Remember: People said the CB radio and 8-track tape player would kill radio.

Consider this: While it’s predicted that by the end of the year more than 8 million people will subscribe to satellite radio and 13 million people will own iPods, commercial radio reaches 230 million listeners every week. Emmis has as many listeners at its three New York City stations as the entire satellite radio industry.

Still, traditional media must respond to these challenges. And we at Emmis have. In order to increase our ability to compete and to better equip the Emmis TV group for its future success, in May we announced our intention to explore alternative strategies for our TV stations – a decision that likely will lead to the sale of all or substantially all of our television business. At the same time, we announced our offer to buy back up to \$400 million of our stock.



“Emmis has as many listeners at its three New York City stations as the entire satellite radio industry.”

“We’ve leveraged our news and programming resources to make our TV stations indispensable to their communities.”

The changes in our industries have led us to two conclusions: First, for Emmis to prosper, it must lower its debt and position itself to explore new growth opportunities. Second, in the future, the most successful TV companies will be those that are larger and more singularly focused on the ongoing challenges of American television. The plan we announced in May will address both of those challenges by allowing us to further reduce our debt and give the people at our television stations – people who have proven themselves to be the best operators in their industry – the chance to be part of an organization that is better positioned to support their long-term success.

In addition, we have dedicated ourselves to operating more efficiently, innovating more aggressively, and putting a renewed focus on our customers. We know that in the weeks and months ahead, we must continually emphasize the value of traditional media to listeners, viewers, readers and advertisers, reminding them that broadcast words, music and images and the printed word are integral to the future of American media, and that our industries connect advertisers with audiences in ways no other media can.

THE CASE FOR TRADITIONAL MEDIA

As I began this letter, I wanted to answer one basic question for investors: Why invest in Emmis and its industries now?

Radio reaches people. Radio reaches more than 90 percent of the population on a daily basis. It accounts for a third of all commercial media consumption, and usage is expected to increase as commute times increase. Still, radio gets only 8 percent of advertising revenue. There’s enormous potential, and the industry has united to make that case to advertisers. Already, analysts are talking about improvements in the radio outlook.



Emmis radio leads the way. Once again, our revenue growth beat our radio markets and the industry as a whole. As other companies experimented with inventory and rates, we reduced inventory and raised rates for eight consecutive quarters. We responded quickly to content issues in New York, and executed a transaction that gave us a legacy station in Chicago, WLUP-FM, to partner with alt-rock leader Q101 (the deal also provided cash for debt reduction). We own stations that consistently rank No. 1 in both New York and L.A. In short, we’re in a position to lead the way as radio recovers.

Magazines reach advertising audiences. The magazine industry offers loyal and clearly defined audiences. With 89 percent of all adults saying they read one or more magazines, a recent survey revealed that 85 percent of those readers actually like seeing ads in the publications. The industry continues to find new niches and opportunities for reaching the audiences advertisers want.

Emmis dominates. Emmis Publishing has proven to be a leader in its primary niche, city and regional magazines. Each year, its publications dominate editorial awards competitions; in difficult conditions, the company posts some of the highest margins in its industry; and it continues to innovate, offering new products and advertising vehicles each year – including the recently launched *Tu Ciudad*, a magazine targeting L.A.’s upscale Hispanic population.

International radio offers Emmis opportunities unavailable in the U.S. International radio offers many of the same advantages as domestic radio, but it offers them in markets that are, unlike the U.S. market, emerging and inexpensive to enter. As a result, they give Emmis the opportunity to play to its founding strengths: identifying underperforming operations and unfilled market niches, and then leveraging those opportunities to create success stories.

“Emmis Publishing posts some of the highest margins in its industry.”

Broadcast TV continues to draw viewers. Ninety-eight percent of all American households have televisions, and viewers continue to rely heavily on broadcasters for content. The people at Emmis’ TV stations have proven that, in such a vital industry, they can outperform their peers consistently, with ratings and revenue gains in market after market. Given the right corporate structure, I believe our people and the stations they operate will reach new levels of success.

THE CASE FOR EMMIS

OK, so we’ve made the case for our industries and our operations within those industries. But why, in addition to those reasons, should you invest in Emmis Communications?

We have great assets, and we know how to run them. We have leading operations in large and medium-sized markets, including three radio stations that were in the top 10 in New York City in the important fall Arbitron ratings book, and the No.1 radio station in L.A., the nation’s No.1 radio market. In addition, Emmis TV stations lead their niches, our international radio group is setting and hitting high goals, and our publications set the standard for financial, editorial and sales performance.

We outperform. Across our divisions, we outperform our peers and our markets again and again. In fiscal ‘05, when our radio markets were up 0.5 percent, we were up 2.6 percent. In calendar 2004, our TV markets grew by 16.2 percent, and Emmis TV grew 17.2 percent. Our people simply find ways to win.

We’ve addressed balance sheet concerns. We brought our leverage down to 5.9 times cash flow in fiscal 2005, and worked with our banks to lower our debt expense. But we’re not done: The anticipated changes in our TV group should provide us with the capital needed to further delever, positioning us with a more flexible capital structure.

We’re one of FORTUNE’s 100 Best Companies to Work For. This isn’t just a feel-good factor – it generates results: A recent study by the Great Places to Work Institute and Russell Investment Group showed that companies on FORTUNE’s list posted collective returns more than four times higher than that of the general market over the last seven years.

Yes, these are difficult times for traditional media. But Emmis has seen difficult times before, and we got through them by creating great media, hiring great people and providing great service to our advertisers, audiences and communities. And while other media companies faltered and blamed fragmentation and new technology, we continued to outperform by staying focused on what we do best: operating better than anyone else in the business. In the days ahead, when traditional media reasserts its power as a business and investment, Emmis will be positioned to grow and prosper.

This I believe about Emmis Communications.

Sincerely,



Jeffrey H. Smulyan
Chairman and CEO



Corporate Office

One Emmis Plaza, 40 Monument Circle, Suite 700,
Indianapolis, Indiana 46204 317.266.0100 www.emmis.com

Business

Emmis Communications (NASDAQ: EMMS) is a diversified media firm with award-winning radio broadcasting, television broadcasting and magazine publishing operations. Emmis' 23 FM and 2 AM radio stations serve the nation's largest markets of New York, Los Angeles and Chicago, as well as Phoenix, St. Louis, Austin, Indianapolis and Terre Haute, Indiana. The 16 television stations are located in Albuquerque, N.M.; Fort Myers, Fla.; Green Bay, Wis.; Honolulu, Hawaii; Huntington, W.Va.; Mobile, Ala./Pensacola, Fla.; New Orleans, La.; Omaha, Neb.; Orlando, Fla.; Portland, Ore.; Terre Haute, Ind.; Topeka, Kan.; Tucson, Ariz.; and Wichita, Kan. Emmis Communications also publishes *Indianapolis Monthly*, *Texas Monthly*, *Cincinnati*, *Atlanta*, *Los Angeles*, *Tu Ciudad* and Country Sampler Group magazines; has a 59.5% interest in Sláger Rádió, a national radio station in Hungary; operates nine FM radio stations serving more than 50 percent of the population in the Flanders region of Belgium; recently acquired Rádio Expres, the top-rated station in Slovakia; and has ancillary businesses in broadcast sales, publishing and interactive products.

Transfer Agent Register

Wachovia Bank N.A., Shareholder Services Group, 1525 West W.T. Harris Blvd., 3c3, Charlotte, North Carolina 28288-1153.

Annual Meeting

The annual meeting of shareholders will be held at 10:00 a.m. (Central) on Wednesday, July 13, 2005, at Emmis' Corporate office.

Form 10-K

A copy of the Annual Report on Form 10-K for the fiscal year ended February 28, 2005, which was filed with the Securities and Exchange Commission, will be sent to shareholders without charge upon written request to Kate Snedeker, Emmis Communications Corporation, One Emmis Plaza, 40 Monument Circle, Suite 700, Indianapolis, Indiana 46204, or ir@emmis.com.

Market and Dividend Information

The Company's Class A Common Stock is traded in the over-the-counter market and is quoted on the National Association of Securities Dealers Automated Quotation (NASDAQ) National Market System under the symbol EMMS.

The following table sets forth the high and low sale prices of the Class A Common Stock for the periods indicated. No dividends were paid during any such periods.

Quarter Ended	High	Low
May 2003	21.24	14.84
August 2003	23.87	18.68
November 2003	24.06	18.00
February 2004	28.65	22.74
May 2004	25.95	20.84
August 2004	21.96	18.90
November 2004	20.01	17.40
February 2005	19.43	17.08

On May 6, 2005, there were approximately [00,000] record holders of the Class A Common Stock, and there were two record holders, but only one beneficial holder, of the Class B Common Stock.

Emmis intends to retain future earnings for use in its business and does not anticipate paying any dividends on shares of its common stock in the foreseeable future.

/ executive officers /

Jeffrey H. Smulyan

Chairman of the Board, President and CEO

Walter Z. Berger

Executive Vice President, CFO and Treasurer

Randall D. Bongarten

Television Division President

Richard F. Cummings

Radio Division President

Gary L. Kaseff

Executive Vice President
and General Counsel

Paul W. Fiddick

International Division President

Michael Levitan

Executive Vice President, Human Resources

Gary A. Thoe

Publishing Division President

/ board of directors /

Jeffrey H. Smulyan

Chairman of the Board, President and CEO

Susan B. Bayh

Former Commissioner of the *International Joint Commission of the United States and Canada*

Walter Z. Berger

Executive Vice President, CFO and Treasurer

Gary L. Kaseff

Executive Vice President
and General Counsel

Richard A. Leventhal

President and Majority Owner, *LMCS LLC*

Peter A. Lund

Media consultant and former
President and CEO, *CBS Television*

Greg A. Nathanson

Media consultant and former President of
Fox Television Stations and *Emmis Television*

Frank V. Sica

Senior Advisor, *Soros Fund Management LLC*

Lawrence B. Sorrel

Managing Partner and Co-CEO,
Tailwind Capital Partners

“Emmis International identifies underperformers and unfilled niches, and leverages those opportunities to create success stories.”

greatmedia.greatpeople.greatservice.®

emmis communications
one emmis plaza
40 monument circle
indianapolis, indiana 46204
www.emmis.com